

To: Bohan, Suzanne[bohan.suzanne@epa.gov]
From: Morning Consult
Sent: Thur 1/12/2017 1:13:48 PM
Subject: Morning Consult Energy: Tillerson Faces Tough Questions on Russia, Climate

By Jack Fitzpatrick

Washington Brief

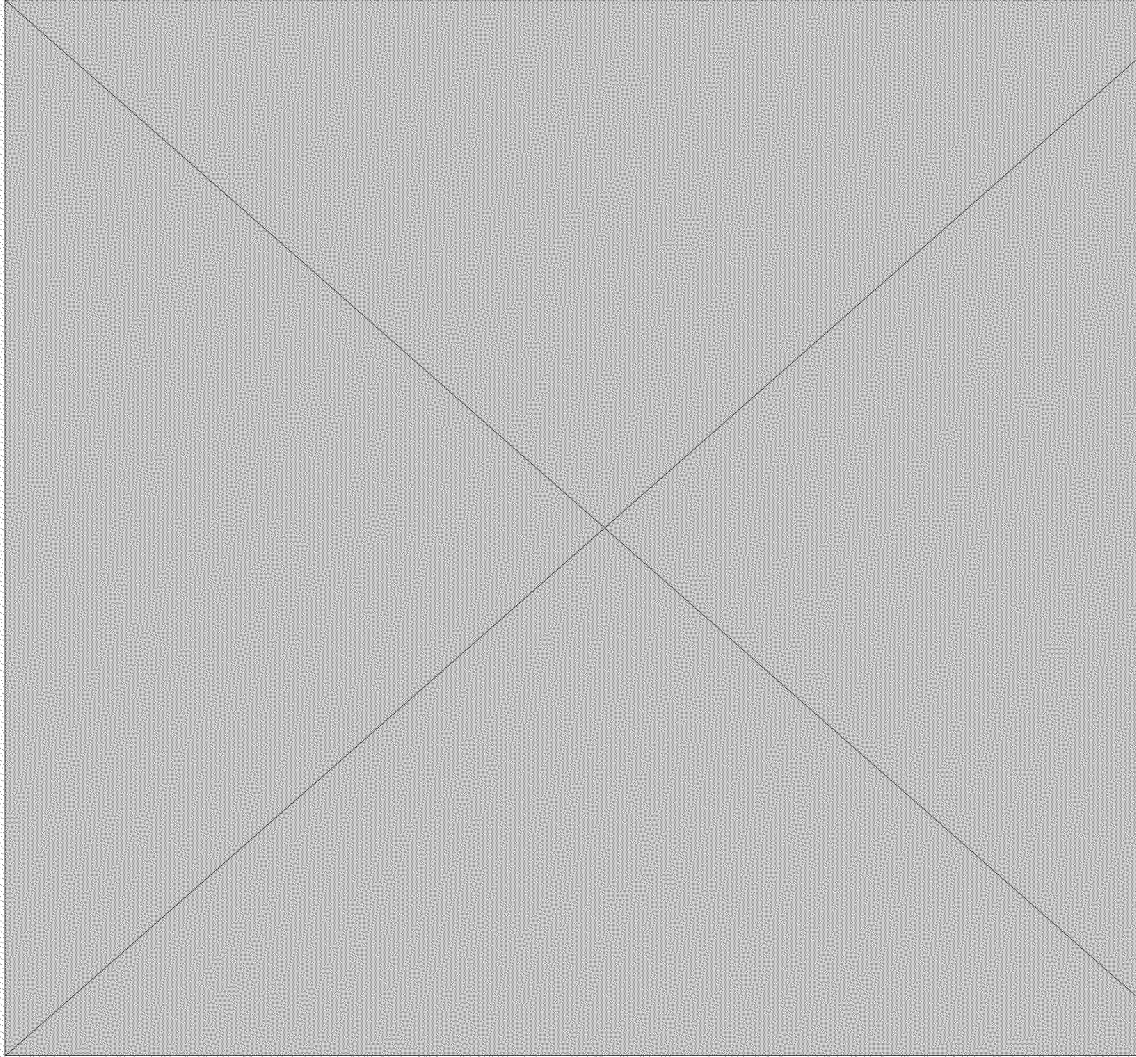
- Secretary of State nominee Rex Tillerson faced questions about his ties to ExxonMobil Corp., his stance on sanctions against Russia, and his stance on climate change, among other things, during his confirmation hearing. (CBS News)
- The Obama administration called for changes to its coal-leasing program, including raising royalty rates. (The Washington Post)
- The Senate Environment and Public Works Committee is set to hold its confirmation hearing for Environmental Protection Agency Administrator nominee Scott Pruitt on Jan. 18, and the Senate Energy and Natural Resources Committee is set to hold its hearing for Interior Secretary nominee Ryan Zinke on Jan. 17. (Washington Examiner)

Business Brief

- Six high-level Volkswagen employees were indicted over the company's emissions-cheating scandal, while the company itself reached a plea bargain. (The Associated Press)
- Enbridge Inc. faces a legal battle over a major crude oil pipeline in Wisconsin after a Native American tribe opposed renewing land use agreements. (Reuters)
- A Wyoming bill would impose a penalty on utilities that generated electricity using wind or solar power. (Casper Star-Tribune)

Chart Review

Oil and Gas Industry Contributions to the Senate Foreign Relations Committee
Vice News



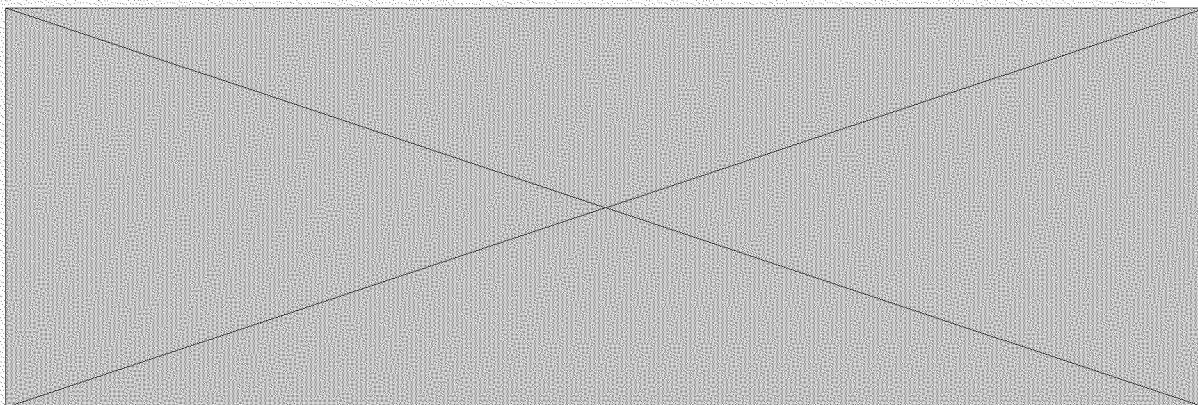
Events Calendar (All Times Local)

Thursday

<u>Moniz discusses nuclear security</u>	10 a.m.
<u>Environmental Legal Institute discussion on Trump energy policy</u>	11:30 a.m.
<u>Pew Charitable Trusts discussion on energy, national security</u>	3:30 p.m.

Friday

No events scheduled



General

Rex Tillerson grilled on ExxonMobil conflicts, Russia sanctions, climate change at confirmation

Rebecca Shabad, CBS News

Rex Tillerson faced an aggressive line of questioning Wednesday from senators about his possible conflicts involving ExxonMobil, his position regarding U.S. sanctions against Russia and his views on climate change. In testimony at his confirmation hearing before the Senate Foreign Relations Committee, Tillerson stressed that the Trump administration is focused on reasserting and renewing U.S. leadership around the world as a superpower, which is an approach that he said the Obama administration has withdrawn from.

VW pleads guilty in emissions scandal; 6 employees indicted

Michael Biesecker et al., The Associated Press

Six high-level Volkswagen employees from Germany were indicted in the U.S. on Wednesday in the VW emissions-cheating scandal, while the company itself agreed to plead guilty to criminal charges and pay \$4.3 billion - by far the biggest fine ever levied by the government against an automaker. In announcing the charges and the plea bargain, Justice Department prosecutors detailed a large and elaborate scheme inside the German automaker to commit fraud and then cover it up, with at least 40 employees allegedly involved in destroying evidence.

Rubio: No decision yet on Tillerson

Timothy Cama, The Hill

Sen. Marco Rubio (R-Fla.) hasn't decided yet whether or not he will support Rex Tillerson, the nominee to be secretary of State. Through three rounds of questioning that frequently became tense, Rubio tore into President-elect Donald Trump's pick to lead the State Department for not clearly declaring countries as human rights violators, standing up for human rights and sufficiently criticizing Russian President Vladimir Putin.

Tillerson says he hasn't talked Russia policy with Trump
Timothy Cama, The Hill

Secretary of State nominee Rex Tillerson on Wednesday said he has not talked about the specifics of Russia policy with President-elect Donald Trump. Tillerson made the remark under questioning from Sen. Bob Menendez (D-N.J.), who asked about Russian sanctions and its aggression during a confirmation hearing at the Senate Foreign Relations Committee.

EPA, Interior nominee hearings set for next week
John Siciliano, Washington Examiner

President-elect Trump's nominee to head the Environmental Protection Agency is scheduled to appear before Congress for his first confirmation hearing next week, two days before the Jan. 20 inauguration. The Senate's Republican leadership wants to have most of Trump's major nominees through the hearing process before the inauguration, with the goal of having them confirmed before the end of the month, say aides.

Greasing the wheels
Alex Thompson, Vice News

The confirmation hearings for secretary of state nominee Rex Tillerson begin Wednesday, and one thing is certain: The wheels have already been thoroughly greased by campaign donations from the oil and gas industry. His company, Exxon Mobil, and the broader oil industry over the past six years (the length of a Senate term) have poured \$4.6 million in campaign contributions to members of the Senate Foreign Relations Committee - some of the very people conducting the hearings.

Senate Dems Questioning Rex Tillerson's \$9 Million From Anti-Exxon Activists
Michael Bastach, Daily Caller

Democratic senators on the committee charged with holding confirmation hearings on former ExxonMobil CEO Rex Tillerson's nomination to be secretary of state have taken more than \$9.3 million from environmental groups. Tillerson is set to testify before the Senate Committee on Foreign Relations Wednesday, and will likely be grilled by Democratic lawmakers on his

ties to Russia, his stance on global warming and possibly even Exxon's legal battle against states attorneys generals (AGs).

Dollar Slumps, Bonds Rally as Trump Unwind: Markets Wrap
Natasha Doff and Adam Haigh, Reuters

The dollar slid and Treasuries gained with commodities as Donald Trump's press conference sent a wake-up call to the market about exalted expectations for fiscal stimulus in the U.S. Gold advanced. The U.S. currency slumped against most major peers and the 10-year Treasury yield touched the lowest since November as Trump's first press conference since his election victory gave scant detail on policy.

Oil and Natural Gas

Trump taps well of protest with more drilling in national parks
Annie Knox and Kim Palmer, Reuters

President-elect Donald Trump aims to open up federal lands to more energy development, tapping into a long-running and contentious debate over how best to manage America's remaining wilderness. The U.S. government holds title to about 500 million acres of land across the country, including national parks and forests, wildlife refuges and tribal territories stretching from the Arctic to the Gulf of Mexico.

Tullow Oil chief executive becomes chairman in boardroom shake-up
Nathalie Thomas, Financial Times

Tullow Oil has elevated Aidan Heavey, its founder and chief executive, to chairman in defiance of UK corporate governance guidelines. The Africa-focused oil explorer insisted the "unique nature" of its business and relationships required a "phased transition" in the company's leadership and said Mr Heavey's tenure as chairman would not exceed a period of two years, starting from its annual meeting on April 26.

Utilities and Infrastructure

Enbridge may face tough legal battle to keep 60-year-old pipeline running
Nia Williams, Reuters

Enbridge Inc may be set for a bruising legal battle in Wisconsin after a Native American tribe voted against renewing land use agreements on a major crude oil pipeline, potentially shutting down a conduit that has been in operation since the 1950s, legal experts said. The vote last week has ratcheted up tension on Enbridge, which already faces questions about the safety of the line elsewhere in the U.S. Midwest.

6 hurt in explosion at power plant in Adams County **Carrie Blackmore Smith, Cincinnati Enquirer**

Six people were injured in a power plant explosion in Adams County Tuesday, according to the operator of the plant. Crews were called to the J.M. Stuart Station around 1:10 p.m. It is partially owned by Dynegy Inc., AES Corp. and American Electric Power, according to the Ohio Environmental Protection Agency.

Renewables

Bill would penalize utilities for wind and solar electricity for Wyoming customers **Heather Richards, Casper Star-Tribune**

A bill proposed by six state lawmakers would charge utilities a penalty if they use wind or solar energy to provide Wyoming consumers with electricity. If Senate File 71 were law, there would be six permissible resources for generating electricity for Wyomingites, including natural gas and coal. Wind and solar are not on the list, except for individual use.

Review backs \$1.6 billion tidal lagoon project in Swansea Bay **Nathalie Thomas, Financial Times**

Electricity generated by tidal power schemes will cost consumers "less than a pint of milk" a year, according to an independent review backing a \$1.6 billion project in Swansea Bay. Tidal lagoons would prove more cost-effective over 60 years than other forms of electricity generation such as offshore wind and nuclear power plants, although they would be more expensive in the earlier years, Charles Hendry, a former energy minister under the coalition government, has concluded.

Currituck temporarily bans solar projects while working on problems posed by existing projects

Jeff Hampton, The Virginian-Pilot

Currituck County officials have imposed a two-month moratorium on building solar farms over concerns raised about the largest array in the eastern United States already underway here. Residents have complained to county commissioners about a 2,000-acre site under construction in Moyock that will be filled with the mirrored-glass panels.

Coal

Obama's Interior Dept. calls for major changes to 'modernize' federal coal program

Juliet Eilperin and Chris Mooney, Washington Post

With just days until President-elect Donald Trump's inauguration, the Department of the Interior finalized a report Wednesday calling for major changes to the federal coal program by which the U.S. manages the leasing of land to companies for exploration and production across 570 million publicly owned acres. A year ago, new leases were placed on hold pending this report. Trump, who campaigned as an ally of the coal industry, has pledged to reverse that controversial moratorium.

Nuclear

U.S. lists 17 nuclear reactors with parts from Areva SA's Le Creusot forge under probe
Timothy Gardner and Scott Disick, Wall Street Journal

The U.S. Nuclear Regulatory Commission unveiled a letter showing that 17 of the country's nuclear reactors have parts from Areva SA's Le Creusot forge in France, which is under investigation for allegedly falsifying documents on the quality of its parts. The number of reactors was more than the nine the NRC had previously disclosed.

Human error in a nuclear facility could have destroyed Arkansas
Rachel Becker, The Verge

Here in the US, we like to think that our nuclear weapons exist to prevent our enemies from detonating a nuclear explosion on US soil - that is, when we think about them at all. The thing is, nuclear weapons are just machines.

Climate

For Companies Torn Between Irresponsible Profit and Climate, the Heat Is On
Eric Roston, Bloomberg News

Environmental groups have long made hay of companies that tout their climate-friendliness but belong to industry associations that promote traditional energy in Washington. The pressure was from the left. Now, for companies active in both renewable energy and conventional trade organizations, it's coming from the right.

Scientists Map Vast Peat Swamp, a 'House of Carbon,' in Central Africa
Henry Fountain, The New York Times

Scientists have mapped what they say is the largest peatland in the tropics, an area larger than New York State in the Congo Basin in Central Africa. The peat, which consists of slowly decomposing vegetation in swamp forests, has been accumulating for more than 10,000 years.

Climate Change Deniers: Even ExxonMobil Has Abandoned You
Eric Roston, Bloomberg News

U.S. secretary of state nominee Rex Tillerson briefly laid out his position on climate change at Wednesday's Senate confirmation hearing in Washington. The former head of one of the biggest fossil fuel companies on Earth acknowledged that additional carbon dioxide is warming the planet but left enough ambiguity to float an oil rig through.

Opinions, Editorials and Perspectives

President Obama's optimism on clean energy is more hopeful than realistic
David Roberts, Vox

In fact, progress on clean energy is just barely underway in the US. And much of it is reversible - if not reversible, stoppable; if not stoppable, slowable.

Research Reports

Overlooked possibility of a collapse in Atlantic Meridional Overturning Circulation in warming climate
Wei Liu et al., Science Advances

Changes in the Atlantic Meridional Overturning Circulation (AMOC) are moderate in most climate model projections under increasing greenhouse gas forcing. This intermodel consensus may be an artifact of common model biases that favor a stable AMOC.

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